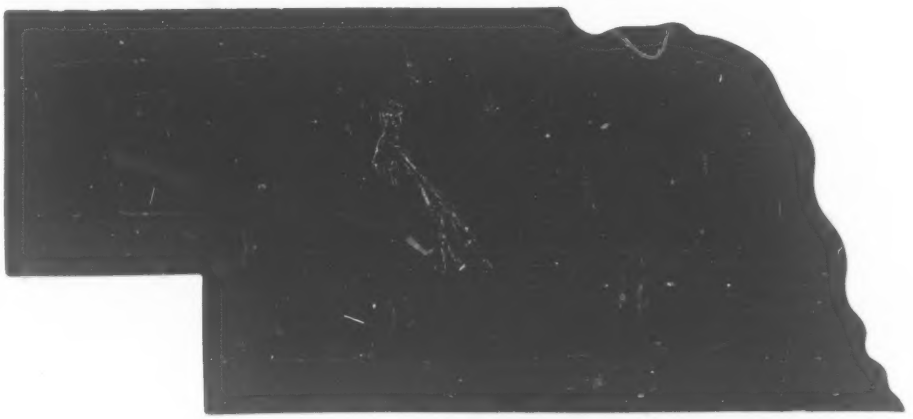
NASIS



NEBRASKA ANNUAL SOCIAL INDICATORS SURVEY

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NEBRASKANS ATTITUDES ON TAXING AND SPENDING: AN EXAMINATION OF THE 'MORE FOR LESS' PARADOX

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Price: $1.00

The Nebraska Annual Social Indicators Survey
Helen A. Moore, 1983 Study Director

The findings in this report are based on data collected in the seventh Nebraska Annual Social Indicators Survey (NASIS). This survey is part of an on-going study of the quality of life in Nebraska conducted by the Bureau of Sociological Research at the University of Nebraska-Lincoln.

In 1983, a representative sample of 1834 Nebraskans eighteen years of age or older living in households was interviewed by telephone. The respondents to the 1983 survey are the fourth wave of a panel originally selected and interviewed in 1977, re-interviewed in 1979, and 1981, and supplemented by the 1982 cross-sectional survey respondents who were new migrants to the state or who had become adults (18) after 1980. These respondents will be reinterviewed every two years in order to provide information on changing quality of life. The interviews averaged approximately 45 minutes and included questions about health, political interests, energy conservation, occupation, recreation, education, family life and other matters reflecting the quality of life experienced in the state. For the entire sample, 95 out of 100 times the percentages computed from the items asked on the survey are likely to be accurate within plus or minus 2.25 percent of the figure that would have been obtained if each adult in Nebraska had been surveyed. This is an estimate of maximum error and for most items the percentages are likely to be even more accurate.

The data gathered by NASIS are used by a wide variety of State and local government agencies for policy and program plan- ning and by faculty and students at the University of Nebraska and other colleges for research. No information identifying any respondent is released to any users and the strict confidenti- ality of individual respondents is rigidly enforced. While the final responsibility for the organization and structure of the survey and for reports produced under its name rests with the Bureau of Sociological Research, public agencies and University departments play an integral part in planning the survey through an Advisory Committee. Public organizations interested in mem- bership on the Advisory Committee should contact the NASIS Study Director.

Funding for NASIS comes from the University of Nebraska, the Bureau of Sociological Research, and State and local agencies which buy items and data analysis from the survey.

The NASIS surveys are repeated each year to measure changes in the quality of life in Nebraska. While there is a core of questions which is included every year, each survey has a large component of unique items which address specific topical issues. Plans for future years include interviewing a new sample of Nebraskans in 1984 as well as continuing to reinterview the 1977 panel every two years to assess changes in their lives. Additional detail on the NASIS surveys regarding use of the survey data or cost of purchasing items on future surveys can be ob- tained by contacting David R. Johnson, NASIS Study Director, at the Bureau of Sociological Research or by sending for a copy of the 1984 NASIS Prospectus.

NEBRASKANS ATTITUDES ON TAXING AND SPENDING: AN EXAMINATION OF THE 'MORE FOR LESS' PARADOX

One of the ostensible paradoxes in public opinion in recent years is the desire of citizens for both lower taxes and increased government services. Recent studies have shown both that the public feels its taxes are too high but also that they want the government to provide more services in a variety of areas, from health care to aid for agriculture. Nationally, a 1980 study showed that 60% of the population thought that their taxes should be lowered, but 46% wanted the federal government to provide more services, and only 1/3 wanted less (SRC, 1980 Election Poll). Even though Nebraskans are considered a tight-fisted, fiscally conservative group, they too have shown a preference for more government services. For example, in a 1978 NASIS survey, a majority of Nebraskans favored increasing state spending in four of eight policy areas about which they were questioned, and only 1% to 4% wanted cutbacks in any of the eight areas.

Is it possible to reconcile these views of taxing and spending? Certainly, at least in the abstract, there are possible ways to resolve the seeming inconsistency in public attitudes. For example, citizens may believe that more services can be provided if only the government were more efficient. Indeed, over 80% of all Americans do believe that their government is inefficient and wastes money. Or perhaps citizens desire more services in one area but less in others; they might be willing to sacrifice less desired services to provide more desired ones. As

a third possibility, while perhaps citizens do not want more taxes, they may be willing to see government expand its revenue in other ways--more user fees, more aid from higher to lower levels of government, and so forth. A final possibility is, of course, that citizens do believe in a "fairy godmother," or put another way, they think they can have a free lunch of more services at less cost.

In this report, we will examine the desires of Nebraskans for more government services, and compare this to ways in which they are willing to pay for the increased services. The information for this report was drawn from a random telephone survey of almost 1900 Nebraskans done in January-March, 1983. About one-half of the sample was asked questions, for each level of government, concerning whether they would like to see spending for a variety of services increased or not. The services included government aid for health care, farm problems, the poor and unemployed, water resources, education, crime control, the aged, and energy. For those who wanted to see at least one service increased, questions were asked concerning methods of payment for the increased services. Alternatives included increased efficiency in government programs, increased taxes, spending less on other programs at that level of government, increased aid from higher levels of government, and in the case of local government, increased user fees.

ATTITUDES ABOUT INCREASED SERVICES

Most Nebraskans, like other Americans, want more from government. At the state level, only education and health care show less than majority support for increased spending. At the local level, a majority desire more spending on crime, the poor and unemployed, and the elderly, while 38-46% favor increased spending on other functions. Majorities also favor increased spending by the national government on more than half the items.

There is no functional area at any level of government where less than one-third favor increased government spending. Surprisingly, perhaps, Nebraskans are likely to favor increased national spending more than they are local spending in at least two areas (energy and farm problems). Only in the area of education are they more likely to favor local than federal spending. Support for increased state action runs second to federal action in energy but is similar to support for federal spending in all other areas except water resources, where more prefer the state to take a leading role.

Support for spending on the poor and unemployed is more than found in previous studies. Two explanations are possible. One is that we use the term "poor and unemployed" rather than "welfare," which has a negative connotation independent of its substance. The second is that the survey was done early in 1983 when unemployment had peaked, and the plight of the destitute, unemployed and homeless was a visible national dilemma. The alterntive explanation that Nebraskans are more liberal in their attitudes toward welfare than Californians (where many of the

other studies have been done) seems implausible, to say the least.

If we sum the proportion favoring increases in each functional area, we see (Table 1b) that at each level of government a majority favors increased spending in more than half the functional areas. Only 10% at the local level, 7% at the state, and 8% at the national level favor NO increases in any program. Thus, 90% and over want increased spending on at least one program and around 25-30% want increases in 6 or more of the 8 areas.

Clearly, then, our sample is one which does favor increased government spending for a number of functional areas, at least half or more about which they were queried. The question we must turn to, then, is how do these Nebraskans wish to pay for these spending increases.

PREFERENCES FOR FUNDING INCREASED SERVICES

TAX INCREASES: A bare majority of those who wish to increase spending in at least one area are willing to see state and local taxes increased to do so. Less than one-third of those wanting more federal services are willing to increase taxes. At all levels, the willingness to increase taxes is positively related to the number of services where increased spending was desired. Thus, those who want the most increased services were the most willing to agree that taxes should be increased. This relationship was not especially strong, however.

INCREASE OTHER REVENUE: About 45% of these Nebraskans believe that increased federal aid is an appropriate way for the states

to pay for increased services. Over three-quarters believe local government should receive more from the state (54%) or national (48%) government or charge more user fees (49%), that is fees for use of public facilities or services such as parks, libraries, licensing for animals, and so forth. The desire to see other income increased is also positively related to the number of increased services desired.

REALLOCATION: Large majorities favor reallocation from unspecified less desired programs to more desired ones at all levels. At the federal level, fully 88% favored reallocation from defense spending or other domestic programs to pay for increased spending for services more desired. Over 60% felt that reallocation was desirable at the state and local levels too.

One might, however, question whether this willingness to reallocate is based on concrete ideas about where the program cuts might be made. We found that willingness to reallocate was essentially unrelated to the number of functional areas where increased spending was desired. Thus, those favoring increases in seven or eight areas were just as likely to favor reallocation as those only wishing to increase spending in one or two areas. And, a previous study mentioned earlier showed little willingness to decrease spending on any service. When increases are desired in most important areas of state and local spending activity (streets and highways being an obvious exception), it is difficult to see from where reallocation funds would come. Perhaps preferences for reallocation are a type of "free lunch" response.

THE FREE LUNCH

We classified those who believed that increased spending would be accomplished by greater efficiency ONLY as those who believe in a free lunch. While perhaps unfair, we believed that these people are the most likely to want "something for nothing." While almost everyone preferred to raise money by greater efficiency in government, only a small proportion fell into our "free lunch" category: 6% at the local level, 12% at the state, and 7% at the federal level. All others, at least in theory, are willing to pay more taxes, spend less on other programs, or pay more at other levels to increase spending at each level. The proportion of individuals in the "free lunch" category did not vary much in relation to spending preferences. Those wanting increased spending in several categories were just as likely to want a "free lunch" as those desiring increased spending in only one or two categories of services.

CONCLUSIONS AND IMPLICATIONS

We have found that Nebraskans' support for expansion of public services is high; almost all prefer to see at least one service expanded and a majority favor expansion of at least half of those services we asked about. But, most are willing to support some alternative way of funding these services other than what we have labeled the "free lunch" approach. Increased taxation, reallocation, and raising other sources of revenue are options favored by one quarter to four-fifths of the population sampled.

We have shown that the presumed paradox of citizens wanting more for less, more services and less spending, may not be as much of a paradox as commonly thought. Most citizens are willing to raise additional revenue to pay for these services, or, in theory at least, to reallocate from less desired to more desired services. Very few citizens think we can rely solely on greater efficiencies in government to pay for increased services. In that respect, then, they are probably very realistic.

To some extent, this research raises as many questions as it answers. Do citizens really have a very good grasp of how much money might be raised by reallocating from their less desired services? Do they know what the implications of these cuts might be? Are citizens willing to have federal or state aid increased to local government even if it means increasing federal or state taxes? How strong are their preferences for increased services? These and other questions are certainly important in understanding the opinions of the public about taxes and spending. Nevertheless, the findings reported here can be seen as at least modestly reassuring about the nature of public opinion on these issues.

Table 1.

Proportion Desiring More Spending on Each Service by Level of Government.

a.		National	State	Local
1)	Energy	64.9%	52.1%	44.1%
2)	Crime Prevention	63.6	59.3	59.9
3)	Farm Problems	57.6	59.2	45.7
4)	Poor and Unemployed	57.2	55.7	52.9
5)	Elderly	51.4	51.5	50.9
6)	Water Resources	47.0	57.6	42.4
7)	Health Care	42.2	40.1	38.6
8)	Education	37.0	41.7	44.1

b. Number of Areas in Which Increased Spending Favored.

0	7.8	6.6	10.0
1 - 3	33.4	34.9	38.1
4 - 5	29.4	31.5	26.6
6 - 8	29.6	27.0	25.3
Mean	4.4	4.4	4.0
Median	4	4	3

Table 2.

How the Public Wishes to Pay for Increased Services[a]

Increased Services Funded by:	National	State	Local
Increased Taxes	29.2%[b]	51.3%	50.7%
Increased Other Revenue	n.a.	44.4	76.7
Reallocation	88.1	64.4	61.0
Neither Reallocation nor Increased Revenues ("Free Lunch")	7.0	12.2	5.7

[a] Only those wishing one or more increased services included.

[b] Percents add to more than 100 because of multiple responses.

n.a. - not asked.

List of reports already released using data gathered in the 1983 Nebraska Annual Social Indicators Survey. These may be purchased at the indicated price from the Bureau of Sociological Research at the University of Nebraska-Lincoln.

Report Number	Title
1.	Designs, Procedures, Instruments and Forms for the 1983 NASIS. Helen A. Moore. Price: $7.50.
2.	Effects of the Recession on Nebraskans. Alan Booth. Price: $1.00.